

Message Text

UNCLASSIFIED

PAGE 01 STATE 198629 TOSEC 090028
ORIGIN PA-02

INFO OCT-01 ISO-00 SS-15 SSO-00 CCO-00 /018 R

DRAFTED BY PA/M:BDSHANKS
APPROVED BY PA/M:PJMETZLER
S/S-O:R. CASTRODALE
DESIRED DISTRIBUTION
PA, PA/M, PA/PRS, S/S

-----122850 071808Z /46

P 071755Z AUG 78 ZFF4
FM SECSTATE WASHDC
TO USDEL SECRETARY PRIORITY

UNCLAS STATE 198629 TOSEC 090028

FOR CARTER FROM PA

E.O. 11652: N/A

TAGS: SOPN, OVIP (VANCE)

SUBJECT: PRESS MATERIAL

1. HERewith FULL TEXT NEW YORK TIMES BY-LINER Y PAUL LEWIS, AUGUST 7, ENTITLED "PORTUGAL LEADER'S DEADLINE PASSES FOR FORMING A GOVERNING COALITION."
2. LISBON, AUGUST 6--THE DEADLINE FOR PORTUGAL'S POLITICAL PARTIES TO COME UP WITH A PARLIAMENTARY SOLUTION TO THE LATEST GOVERNMENT CRISIS PASSED TONIGHT AMID GROWING SIGNS THAT PRESIDENT ANTONIO RAMALHO EANES WOULD APPOINT A PRIME MINISTER OF HIS OWN CHOOSING TO GOVERN THIS NEW AND STILL SHAKY EUROPEAN DEMOCRACY.
3. IN THE WAKE OF THE COLLAPSE 10 DAYS AGO OF PRIME MINISTER MARIO SOARES'S FOUR-MONTH COALITION GOVERN-

UNCLASSIFIED

PAGE 02 STATE 198629 TOSEC 090028

MENT OF SOCIALISTS AND CONSERVATIVE CENTER DEMOCRATS, PORTUGAL'S SOLDIER-PRESIDENT GAVE POLITICAL LEADERS UNTIL TODAY TO RESOLVE THEIR DIFFERENCES AND WORK OUT A NEW COALITION THAT WOULD COMMAND MAJORITY SUPPORT IN PARLIAMENT.

4. THE PRESIDENT IS SCHEDULED TO MEET AGAIN TOMORROW

WITH THE PRINCIPAL POLITICAL LEADERS, BUT THERE APPEARS

LITTLE CHANCE THEY WILL BE ABLE TO SETTLE THEIR DIFFERENCES.

5. GENERAL EANES HAS WARNED THAT HE MIGHT APPOINT A "GOVERNMENT OF PRESIDENTIAL MEDIATION" TO RULE THE COUNTRY UNTIL THE NEXT SCHEDULED ELECTIONS IN 1980. IF THE PARTIES REFUSE TO SUPPORT SUCH A GOVERNMENT IN PARLIAMENT, HE HAS SAID HE WOULD RELUCTANTLY CALL A NEW GENERAL ELECTION AT THE END OF THE YEAR.

6. HE IS ALREADY SAID TO BE PREPARING TO FORM A GOVERNMENT OF "PERSONALITIES" TO PRESENT TO PARLIAMENT LATER NEXT WEEK. THE SOCIALISTS AND CENTER DEMOCRATS REPORTEDLY HAVE TOLD HIM THAT SUCH AN ARRANGEMENT WOULD BE ACCEPTABLE TO THEM IF IT INCLUDED MINISTERS FROM THEIR OWN RANKS.

7. MR. SOARES, THE FORMER PRIME MINISTER, ALSO WARNED ON TELEVISION LAST WEEK AGAINST MAKING AN ARMY OFFICER THE NEW PRIME MINISTER, SAYING THIS WOULD APPEAR "ANTI-DEMOCRATIC."

8. HOWEVER, EVEN THE APPOINTMENT OF A PRESIDENTIAL GOVERNMENT HEADED BY A CIVILIAN, RISKS BEING INTERPRETED UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 198629 TOSEC 090028

AS ANOTHER SIGN THAT DEMOCRACY HAS ONLY PUT DOWN SHALLOW ROOT HERE, FOUR YEARS AFTER LEFT-WING ARMY OFFICERS ENDED THE 48-YEAR DICTATORSHIP OF ANTONIA DE OLIVEIRA SALAZAR AND MARCELLO CAETANO IN A VIRTUALLY BLOODLESS COUP.

9. IT MAY ALSO COMPLICATE THE TASK OF RESCUING THE COUNTRY FROM ITS SERIOUS ECONOMIC DIFFICULTIES AND TURNING IT MORE FIRMLY TOWARD THE INDUSTRIALIZED DEMOCRACIES OF NORTHERN EUROPE.

10. THE CURRENT POLITICAL CRISIS AROSE AFTER THE CENTER DEMOCRATS PULLED OUT OF THE COALITION, ACCUSING MR. SOARES'S SOCIALISTS OF DELAYING PLANS TO COMPENSATE LAND-OWNERS, BANKERS AND INDUSTRIALISTS FOR PROPERTY CONFISCATED AFTER THE FALL OF THE SALAZAR-CAETANO REGIME, IN AN EFFORT TO PLACATE THE COMMUNISTS.

11. PRESIDENT EANES THEN ANGERED THE PRIME MINISTER BY DISMISSING HIM INSTEAD OF ASKING HIM TO LEAD ANOTHER MINORITY SOCIALIST GOVERNMENT, AS HE DID BETWEEN 1976 AND THE END OF LAST YEAR. THE PRESIDENT INSISTED THAT PORTU-

GAL NEEDED A GOVERNMENT WITH MAJORITY SUPPORT IN PARLIAMENT TO TACKLE ITS ECONOMIC PROBLEMS AND CONSOLIDATE DEMOCRACY.

12. NEITHER THE SOCIALISTS NOR THE CENTER DEMOCRATS WANT EARLY ELECTIONS, POLITICAL SOURCES REPORT, BECAUSE THEY WOULD PROBABLY LOSE VOTES TO THE COMMUNISTS AND THE SOCIAL DEMOCRATS. AN ELECTION CAMPAIGN WOULD ALSO PARALYZE THE COUNTRY FOR THE REMAINDER OF THE YEAR.

13. HOWEVER, IT REMAINS UNCERTAIN WHETHER THE SOCIALISTS, WHO HAVE THE MOST REPRESENTATION IN PARLIAMENT, WILL BE WILLING TO LET A GOVERNMENT APPOINTED BY THE UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 198629 TOSEC 090028

PRESIDENT RULE EFFECTIVELY IN THE DIFFICULT TIMES THAT LIE AHEAD.

14. THE STRINGENT AUSTERITY MEASURES ADOPTED EARLIER THIS YEAR, IN RETURN FOR AN \$800 MILLION LOAN FROM THE INTERNATIONAL MONETARY FUND AND 14 WESTERN NATIONS, WILL ONLY BEGIN TO BE FELT IN THE SECOND HALF OF THE YEAR, ECONOMISTS HERE PREDICT.

15. MOREOVER, I.M.F. OFFICIALS ARE TO VISIT PORTUGAL IN OCTOBER TO ASSESS PROGRESS IN REDUCING ITS EXTREMELY HIGH INFLATION RATE AND HUGE TRADE DEFICIT. THEY MAY RECOMMEND ADDITIONAL BELT-TIGHTENING.

16. THE COUNTRY IS ALSO SCHEDULED TO OPEN NEGOTIATIONS THAT MONTH FOR MEMBERSHIP IN THE COMMON MARKET, ALONG WITH SPAIN AND GREECE. THE NINE CURRENT MEMBERS OF THE EUROPEAN ECONOMIC COMMUNITY HAVE SAID OPENLY THEY WOULD ONLY TAKE THESE THREE ECONOMICALLY WEAK COUNTRIES INTO THEIR FREE-TRADE ZONE TO BOLSTER THE NEWCOMERS' FLEDGLING DEMOCRATIC REGIMES.

17. BUT PRECISELY BECAUSE THE COMMON MARKET HAS NO ECONOMIC INTEREST IN OPENING ITS DOOR TO PORTUGAL, IT WILL WANT TO BE CERTAIN THAT IT IS NEGOTIATING WITH A WORKABLE DEMOCRATIC GOVERNMENT THERE.

18. SO FAR, THE PORTUGUESE ARMY APPEARS TO HAVE PLAYED LITTLE IF ANY PART IN THE COUNTRY'S POLITICAL CRISIS, ALTHOUGH THE 18 OFFICERS WHO SIT ON THE REVOLUTIONARY COUNCIL HAVE BEEN FULLY CONSULTED BY PRESIDENT EANES.

19. BUT THERE IS SPECULATION IN THE PRESS THAT THE UNCLASSIFIED

UNCLASSIFIED

PAGE 05 STATE 198629 TOSEC 090028

MILITARY MIGHT BECOME RESTIVE AGAIN, IF PARLIAMENT
REFUSES TO SUPPORT A PRESIDENTIALLY-APPOINTED GOVERNMENT
AND PORTUGAL IS LEFT WITHOUT AN EFFECTIVE ADMINISTRATION.
CHRISTOPHER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TOSEC, PRESS COMMENTS, COALITION GOVERNMENT, POLITICAL SITUATION
Control Number: n/a
Copy: SINGLE
Draft Date: 07 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE198629
Document Source: CORE
Document Unique ID: 00
Drafter: BDSHANKS
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780323-0036
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780891/aaaacyig.tel
Line Count: 180
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 93619a67-c288-dd11-92da-001cc4696bcc
Office: ORIGIN PA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1817902
Secure: OPEN
Status: NATIVE
Subject: PRESS MATERIAL
TAGS: OVIP, SOPN, PGOV, PINT, US, NEW YORK TIMES, (VANCE, CYRUS R), (LEWIS, PAUL)
To: SECRETARY
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/93619a67-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014